

division of municipal development



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Housing Development Support Program

Fact Sheet

The Housing Development Support Program (HDSP), a component of the Massachusetts Community Block Grant Program (CDBG), is designed to assist project-specific affordable housing initiatives with emphasis on creation, preservation or improvement of small-scale public and private projects which may not be cost-effective under other development assistance programs or with conventional financing.

How it works

Typical HDSP projects include moderate or substantial rehabilitation, and limited new construction of residential and mixed use projects; reclamation of abandoned/ foreclosed properties; elderly, transitional and special needs housing; and conversion of obsolete and under-utilized structures such as vacant school buildings. Funds can be used for acquisition, rehabilitation, site work and related infrastructure. 51% of the units must be affordable to and occupied by low and moderate income households. Projects are limited to a maximum of seven units; however, special needs and single room occupancy projects are exempt from this limit.

In general, the units in a HDSP project may be counted toward the municipality's 10% goal for low and moderate income housing.

Who is eligible

- Municipalities with a population under 50,000
- Municipalities which do not receive CDBG funds directly from the federal Department of Housing and Urban Development (HUD).

Application process

Notices of Intent (NOI) are submitted by the municipality on behalf of the property owner/ developer. DHCD staff review the NOIs and

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schedule an initial informational meeting with the community. Following the initial meeting, the applicant community is notified in writing whether it will be invited to submit an application and if so, whether any additional information is needed.

NOIs are typically due in February and August each year, with respective applications due in April and October.

Once all of the applications are submitted, DHCD reviews and scores them for financial feasibility, affordability, readiness to proceed, developer capacity, site and design, and cost effectiveness.

Applicants that have been housing certified under Executive Order 418 will receive bonus points totalling 10% of the total available points for this program.

**Grant
amounts**

Project grant amounts will generally be limited to \$400,000 plus administrative costs. In extraordinary projects the maximum may be increased to \$500,000 by waiver. State and federal funds generally may not exceed 75% of the total project costs.

**For more
information**

Please contact DHCD’s Division of Municipal Development at (617) 727-7001. The staff is also available by appointment to provide assistance to applicants.